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[Proceeding Number 07-51]

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

Re: Further Notice of Proposed Rulemaking In the Matter of Exclusive Service Contracts for Provision of Video Services in Multiple Dwelling Units and Other Real Estate Developments, MB Docket No. 07-51

Dear Ms. Dortch:

This letter is written in response to the above-captioned Report and Order and Further Notice of Proposed Rulemaking released by the Commission on November 13, 2007, in which the Commission seeks comment on whether, among other things, it should prohibit exclusive marketing and bulk billing arrangements between video providers and MDU building owners. (the "FNPRM").

Waterton Residential is in the multifamily real estate business. We own a total of 30 apartment properties with approximately 15,000 dwelling units located in 12 states. About 80% of our properties are covered by some form of exclusive marketing agreement for the provision of video services. About 50% of our properties are covered by some form of exclusive marketing agreement for the provision of voice services. About 10% of our properties are covered by some form of bulk billing arrangement for the provision of video services.

We are opposed to any prohibition of exclusive marketing clauses and bulk billing arrangements because we believe that such a prohibition would adversely affect the conduct of our business without justification. We question whether the Commission has the authority to regulate the activities of property owners in this way. It is imperative that we retain the authority to enter into exclusive marketing agreements and bulk billing arrangements with all types of video and voice service providers.

We enter into exclusive marketing agreements in order to help us recoup the significant communications infrastructure outlays that we make when we construct new buildings and upgrade the wiring in existing buildings. Video providers and voice providers (as the case may be), agree to pay some of the costs of the communications infrastructure in exchange for exclusive marketing rights. Without the ability to enter into exclusive marketing agreements, we would have to bear the full cost of wiring new buildings and upgrading the wiring in existing buildings. This would hurt our competitive position in the apartment market, as we would be forced to pass these costs through to our residents in the form of higher rents.

When it comes time to upgrade the communications infrastructure in existing buildings, we generally require wiring upgrades to be at the cost of the service provider. This is because we are not in the business of designing and installing wiring infrastructure. Providers are usually only willing to undertake these upgrades in return for exclusive marketing agreements. We have very limited capital budgets and many competing capital expenditure priorities, so if we can no longer enter into exclusive marketing agreements in exchange for wiring upgrades, there is a great risk that communications infrastructure upgrades will be severely delayed, or not

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undertaken at all. In addition, any costs we absorb must be passed through to or residents, which would negatively impact our ability to compete in the rental apartment market.

We are also opposed to any prohibition of bulk billing arrangements because we believe that such a prohibition would also adversely affect the conduct of our business without justification. We enter into bulk billed video service arrangements where we find that residents consider bulk video service to be a desirable amenity. In our experience, in some buildings and in some markets, residents like the convenience of having a move-in ready unit, where they do not have to make arrangements for video service installation, and pay for this service separately from their rent. Moreover, we negotiate bulk billing rates with up to a 50% discount to regular market rates which realizes a significant cost savings for residents. If bulk billing arrangements were banned, we would be unable to offer residents this amenity with its inherent convenience and cost-savings benefits.

In conclusion, we urge the Commission not to ban exclusive marketing arrangements and bulk billing arrangements. To do so would reduce our ability to provide state-of-the art communications infrastructure and low service rates to our residents. Thank you for your attention to our concerns.

Sincerely,



Gregory J. Lozinak
Chief Operating Officer